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January 29, 2008

California Energy Commissioners

c/o Deborah Godfrey

California Energy Commission

1516 9th Street, MS-42

Sacramento, California 95814

RE: AB 2160 Green Building Report Commercial Incentives/Barriers

California Energy Commissioners:

California Business Properties Association (CBPA) is pleased to provide comment on the AB 2160 staff report relating to Green Building Incentives and Barriers. Our comments will relate specifically to the Commercial Real Estate sections of the report.

CBPA serves as the legislative and regulatory advocate for individual companies as well as the International Council of Shopping Centers (ICSC), the National Association of Industrial and Office Properties (NAIOP) California chapters, Institute of Real Estate Managers (IREM), Building Owners and Managers Association of California (BOMA California), California Downtown Association (CDA), Retail Industry Leaders Association (RILA), and CCIM of Northern California making CBPA the recognized voice of the commercial, industrial, and retail real estate industry in California representing over 11,000 companies.

In general, we are pleased with the substance of the report as it serves as a good guide noting barriers that need to be overcome and incentives that could be adopted to assist the development community as we continue to build ever increasingly efficient buildings and move to adopt and incorporate "green" technologies and practices as they become realistic and economically viable.

It should be acknowledged that California's policy in this area as reflected in the state's building code (Part 6, Title 24), is far more progressive than the rest of the nation. By some estimates California buildings, when built to just the baseline standards, are up to 50% more efficient than buildings in other states. We point this out not to argue that we should not continue to become more efficient, but to assure that past progress is recognized and to set the context that we support continued progress towards increasing building efficiencies through market-based approaches.

The report points out that there is a dearth of state programs focused on commercial properties and we hope to correct that by working with the CEC to develop information and tools that can be used to educate and further incentivize green construction. Our members have a lot of expertise in this area and we would like to work with you to advance and disseminate knowledge.

Most of the professional organization's affiliated with CBPA offer programs for their members meant to encourage green building and management practices that CEC staff may find helpful. To wit, the Building Owners and Managers Association has a successful Energy Efficiency Program (BEEP), has signed MOU's with the Clinton Climate Initiative, the Green Building Initiative ("Green Globes"), U.S. Green Building Council ("LEED"), and has issued a "7-Point Challenge" to its members to encourage

improving efficiencies and reducing their carbon footprint, as well BOMA has formed a partnership with SoCal Edison to encourage and educate companies about how to become more energy efficient; Another example is NAIOP, which has adopted a Sustainable Development Policy as well as a Green Task Force, recognizes members in this area with a “Green Development Award,” provides information to members via its “Green Development News,” and has put on several educational events including the upcoming DevelopGREEN Conference; ICSC has developed a program called Sustainable Energy Environmental Development (SEED), has an environmental subcommittee and working groups that are focusing on sustainable building practices, offers workshops on green building certification, and is working with USGBC to draft retail standards for green buildings. These are just a few examples of the activities that are happening within the industry to assure that our companies are educated about the benefits of sustainable building and have the tools needed to be successful.

The AB 2160 draft report was widely circulated and the following are suggestions from industry on how the CEC might be able to further advance the shared goal of creating more sustainable buildings. Many of these are already pointed out in the report, while some may be new ideas for your consideration:

Support for Carbon Credits under AB 32. Under the state’s landmark carbon reduction law, AB 32, the CEC could support carbon credits and trading for energy efficient buildings. As an incentive to make buildings more efficient before the 1990 baseline is set, the CEC could support a system for companies to receive credits now.

Provide Funding for Training and Education of Building Managers. Provide funding for training of private sector building managers to increase their knowledge of how to more effectively manage energy efficient buildings.

Support Voluntary Submetering. The CPUC has recently changed a rule that had prohibited electrical submetering and will now allow tenants and building owners to voluntarily enter into agreements to submeter electrical usage, within the PG&E territory. CEC should support expansion of submetering to all areas of the state and support a program that will assist tenants and building owners implement this energy saving program.

Support Voluntary Benchmarking Programs. Building owners can improve the energy performance of buildings by benchmarking to track changes in energy usage over time and to compare buildings. California now requires commercial building owners get their properties benchmarked using the EPA Energy Star system. CEC should support voluntary programs to inform those building owners not already using benchmarking about the benefits and provide technical assistance.

Assistance for Retro Commissioning of Private Sector Buildings. Retro Commissioning is a systematic process that helps building owners figure out how to operate a building’s HVAC system and integrated building controls at peak performance. Retro Commissioning building systems can provide significant benefits such as improving occupant comfort, reducing energy cost, improving Indoor Air Quality, enhancing building operations, and extending equipment life. The CEC could provide funding assistance and educational materials to encourage more companies to voluntarily Retro Commission their buildings.

Support the BSC Green Building Codes Adoption Process. Assure that the Green Building Codes are cost effective and do not conflict with other areas of the codes, especially health and safety measures. This process will increase the baseline sustainability of all buildings in the state.

Form Partnerships with Professional Real Estate Associations to communicate with Members. CEC should form formal partnerships with professional associations from the real estate industry to advance education and dissemination of information.

Support and Promote All Third Party Green Building Certifications. The CEC should not pick “winners and losers” when it comes to third party green building certification programs. The AB 2160 draft



report speaks only about one green building program, the USGBC's LEED certification, and ignores other similar programs such as the Green Building Initiative's Green Globes certification. If the ultimate aim of the state's policy is increasing building efficiency, the CEC should be certification neutral and support a wide variety of tools that assist the private sector in reaching that goal.

Tax Credit. Support the establishment of a state tax credit for energy efficiency and/or water conservation measures for new construction (and retrofit).

Certified "California Green Building" Label. Develop a "branding" label for construction that exceeds California Energy Code/Green Building Code by a certain percentage. For example, a building that exceeds CEC energy standards and Title 24 Green Building Standards by 25% could receive certification as a "California Green Building."

Green Building Incentives List. The CEC could lead an effort to work with other state agencies, local government groups and private industry to develop comprehensive list of federal, state and local incentives (financial and non-financial) for green building/energy efficiency measures.

Funding for BSC Green Building Development & Education. Support a legislative proposal to increase funding dedicated to the BSC for research, development and education on building codes with emphasis on green building measures.

SB 1 commercial offset program. Develop and gain approval for administrative options that promote the voluntary installation of PV solar energy on non-residential sites wherein all (or some portion) of the power generated can be used in the residential sector.

Support Full Net Metering: Assure that companies that are generating power onsite and sending excess to the grid are fully compensated for that energy generation.

Energy & Water Conservation Audits: Promote energy efficiency and water conservation audits for existing buildings.

We hope you find this a productive listing of ideas that could help advance the goal of increasing green building in this state.

CBPA thanks you for your consideration of our views and for your continued hard work on this important issue. We look forward to working with you further.

Sincerely,



Matthew Hargrove
Sr. Vice President of Governmental Affairs

cc: Nate Garvis, Chair, CBPA Board of Directors
Rex Hime, President & CEO, CBPA

